

FISCAL NOTE

SB 1144 - HB 1830

March 10, 2005

SUMMARY OF BILL: Changes the allocation method for distributing Hall income tax collections to counties and municipalities based on population as estimated by the federal census. Deletes the one-third share (33%) of the county and municipality allocation earmarked for the general fund. Earmarks \$5.0 million to the Department of Economic and Community Development (ECD). ECD shall use this allocation for making grants to counties and municipalities for the sole purpose of encouraging and promoting consolidation of governmental services to achieve greater efficiencies and economies for the taxpayers.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - \$18,920,000 Recurring / General Fund

Increase State Revenues - \$5,000,000 Recurring / ECD

Increase State Expenditures - \$5,000,000 Recurring / ECD

\$22,000 One-Time / General Fund

Increase Local Govt. Revenues - \$5,000,000 Recurring - ECD grants

\$13,920,000 Recurring - state-shared taxes

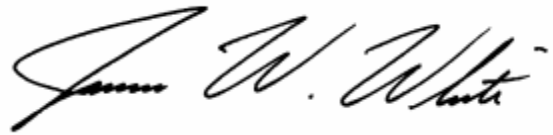
Assumptions:

- FY06 Hall income tax collections estimated at \$152.9 million.
- Three-eighths (37.5%) is earmarked for counties and municipalities prior to ECD allocation.
- Approximately \$57.34 million would be earmarked for the counties and municipalities prior to the ECD allocation (\$152.9 million X 37.5% = \$57.34 million).
- One-third (33%) of the \$57.34 million allocation would no longer go the General Fund. This would be a decrease to state revenues (General Fund) of approximately \$18.92 million (\$57.34 X 33% = \$18.92 million).
- \$18.92 million would be allocated between ECD and the counties and municipalities.

- Increase to state revenues (ECD) would be \$5.0 million.
- Increase to local government revenues (after the ECD allocation) would be approximately \$13.92 million.
- Computer programming and software modifications would be required in the Department of Revenue estimated to cost approximately \$22,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director